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ABSTRACT

This handbook shows how families in various income groups manage to pay for college. The handbook is based on the real experiences of a large number of actual families, as described by national surveys. To find out exactly what it would cost to attend a particular college, the student would have to apply for financial aid, but this guide gives some idea about what to expect. The guide discusses why students pay different amounts for college and provides some illustrative examples of how people manage to pay for college. Information tables show some college prices and aid figures for public and private 2- and 4-colleges. An explanation of expected family contribution and a discussion of borrowing are included. Technical notes describe the surveys on which these data are based. Some other sources of information are listed. (Contains 11 tables and 14 references.) (SLD)

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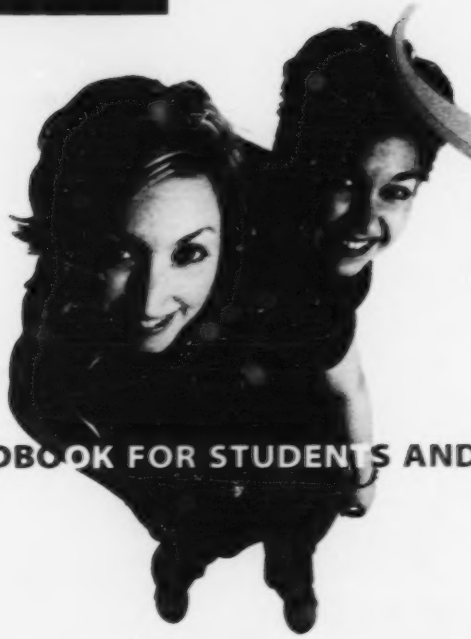

A HANDBOOK FOR STUDENTS AND FAMILIES

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Office of Educational Research and Improvement
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A Handbook for Students and Families

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What This Handbook Is About

This handbook shows how families in various income groups manage to pay for college. The handbook is based on real experiences of a large number of actual families, as described by national surveys.[1] While some figures date back to the 1995–96 school year, they are the most current available, and they will give you a general answer to the question, "How do people like me manage to pay for college?" Of course, to find out exactly what it will cost you to go to a particular college, you will have to apply to that college and for financial aid. This handbook gives you some idea of what to expect.

We use the term *college* in this report to refer to all kinds of institutions of higher education, including large research universities, small liberal arts colleges, and community colleges. But this handbook does not address the experiences of students at all levels of study. We only describe the costs for students pursuing either an associate's or bachelor's degree. These students are generally referred to as "undergraduates." We do not attempt to describe costs for masters and doctoral programs (graduate programs), vocational schools, nor for professional programs, such as law and medicine. Vocational schools and programs beyond the 4-year level of study are priced differently and are paid for differently. Part-time students are not covered in this handbook either; their financial circumstances and level of enrollment are too varied and complicated to fit into the framework presented in this handbook. Finally, we focus exclusively on the costs of dependent students, that is, college students who are financially dependent on their parents.

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[1] The National Postsecondary Student Aid Study of 1995–96 (NPSAS96) and the College Board Annual Survey of Colleges, 1999.

But if you wish to go to college full time, and if you are supported by your parents, this handbook will give you a ready overview of how people in different circumstances covered their college expenses. First, you will see how likely you are to receive financial aid. Next you will see typical amounts of financial aid received by students like you at various types of colleges. Finally, you will see how much financial aid was left over after paying for tuition to cover the cost of living and other expenses related to your education (things like laboratory fees).

Before looking at the tables that show the up-front price of your college investment, consider the payoff. Today, more than ever before, college is the key to financial and overall success. Recent figures show that, on average, college graduates earn approximately twice what high school graduates do.

In 1998, people with earnings who held a bachelor's degree made $43,782, compared to only $23,594 for those with only a high school diploma. Community college graduates' earnings averaged $32,468 in 1998. The average earnings for earners with advanced degrees (master's, doctorate, or professional) was $63,472.

SOURCE: U.S. Census Bureau, Current Population Reports, P60-206, *Money Income in the United States*: 1998, 1999.

In the long run the trend is clear: more education, higher earnings. College is usually your best investment, whether you pay from your savings or whether you borrow money to attend.

When you look at the tables in this handbook, you may be surprised. Many students and families think the price is much higher than it really is. Such misunderstandings are often fueled by the media, which tend to emphasize the tuition at the nation's most expensive colleges and universities—those with the $30,000 price tags.

Why Students Pay Different Amounts to Attend College

What students and their families pay to attend college depends upon two main groups of factors: differences among colleges, and differences among students and their families.[2]

Differences among Colleges

In this handbook, colleges are grouped according to key factors that affect the tuition they charge and the financial aid they give out. These factors are described below.

Public or private. Public colleges—those supported by state and local governments—typically charge less than private colleges. On the other hand, many private colleges have relatively more money to help students who can't afford the higher tuition.

Two-year or four-year. There is generally a big difference between the price of 2-year and 4-year colleges. Public 2-year colleges (community colleges) are usually less expensive. This price difference has prompted many students to begin at less expensive community colleges, then move to a 4-year college, if they want to complete a 4-year degree (bachelor's degree). A few students attend *private* 2-year colleges, but they are not discussed in this handbook. We do not discuss private 2-year colleges due to the relatively small number of students attending and the large differences in price and financial aid policy among private 2-year colleges.

Higher-priced or lower-priced states. Among public 4-year colleges, it is important to account for tuition differences across

[2] We recommend that you also read *Understanding Student Financial Aid* (page 39). This section will help you to ask the right questions and understand what people tell you about student aid.

STATE INITIATIVES

Many states have responded to recent increases in the price of college by establishing new or expanding existing state scholarships, college savings-trusts, and prepaid tuition programs. Many new state scholarships are merit based, rewarding high academic achievement during high school and/or linking continued support to maintaining good grades in college.

SOURCE: The Chronicle of Higher Education, April 16, 1999.

At the beginning of 1999, 20 states offered prepaid tuition plans that provide protection from future tuition increases. Here's how this works: families can pay for college ahead of time, even many years in advance. In return the college locks in the current tuition that they charge. Most of the states that do not have prepaid programs do have established savings-trust programs that enable people to invest (often with accompanying tax breaks) in state-operated investment funds. Only Massachusetts had both a prepayment and savings-trust program in early 1999, but many states were debating one or the other at the time this handbook was written.

SOURCE: The Chronicle of Higher Education, February 19, 1999.

states. States differ in the amount they charge to attend their public colleges. There are also differences across states in the amount of student aid they offer. Some states keep tuitions high, but make up for it by providing more aid to their students. That is why what you might pay to attend a public 4-year college will depend on what state you live in.

Public 4-year colleges: lower-, medium-, and higher-priced states

Lower-priced	Medium-priced	Higher-priced
Arizona	Alabama	Connecticut
Arkansas	Alaska	Delaware
District of Columbia	California	Maine
Florida	Colorado	Maryland
Georgia	Illinois	Massachusetts
Hawaii	Indiana	Michigan
Idaho	Iowa	New Hampshire
Kentucky	Kansas	New Jersey
Louisiana	Minnesota	Nevada
New Mexico	Mississippi	Ohio
North Carolina	Missouri	Pennsylvania
Oklahoma	Montana	Rhode Island
Tennessee	Nebraska	South Carolina
Texas	New York	Vermont
West Virginia	North Dakota	Virginia
Wyoming	Oregon	
	South Dakota	
	Utah	
	Washington	
	Wisconsin	

The above table groups states based on their average tuition and size of their student aid programs.[3] The *public tuition* groupings that we use are based on the 1995–96 school year. The three categories that we use throughout this handbook are: ***lower-priced***—less than $2,100; ***medium-priced***—between $2,100–3,100; and ***higher-priced***—over $3,100.

Differences among Students and Their Families

Income. Most financial aid is need-based; in other words, it depends on the difference between the price of attending a given college and a family's ability to pay. When you apply for financial

[3] These groupings resulted from subtracting the average state scholarship from the state's average public four-year tuition. These figures are for full-time undergraduates only.

aid, the college will use a formula to determine how much you and your family are expected to contribute. The formula takes into account family income and other factors. Using this formula, colleges come up with an "Expected Family Contribution (EFC)." When you decide to apply for financial aid, your EFC will determine how much need-based financial aid you will be eligible for. (To really understand EFC, go to the description on page 43.)

Income isn't the only factor that determines if you get aid, how much aid, and what types of aid you might get (grants, loans, or work study). There are other factors. Income is, however, the main factor, so the tables in this handbook show you average aid awards for people in different income groups. This provides a good general guide. Your chances of getting aid, and the amounts you actually get, will vary from other people within your income group. The factors that determine how aid may vary for you are described in the section *About Percentages and Ranges*, page 17.

Year in college. Students are eligible to borrow more the further they get in college. This means that in the early years, students get more of their financial aid from grants than they do in later years. In later years, they are asked to borrow more and get less from grants. Tables in this handbook show averages for all years in college.[4]

In addition to the factors cited above, what you pay to attend college will depend on a number of choices that *you will make*, discussed below.

Hard work in high school. Merit scholarships are given to outstanding athletes and to students with very good academic records (like the National Merit Scholarships). In part to attract or reward specific students, colleges give out some of these scholarships (gift aid) without considering financial need.

- About 9 percent of students at 4-year public colleges get merit scholarships.
- A similar percent of students who attend public 2-year colleges, 8 percent, get merit scholarships.

ATTENDING A PUBLIC COLLEGE IN ANOTHER STATE

In 1996, over 80 percent of public 4-year college students attended a school in their home state. An increasing number of students, however, are crossing state lines to attend public colleges. Unless a college student can establish legal residency in the state where the college is located, he or she will pay an out-of-state tuition rate. Even with the additional charges, attending an out-of-state public college may be less expensive than attending a private school. It is important to keep in mind, however, that colleges that charge more often make up for the difference with additional institutional financial aid.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

[4] During the most recent year (1999–00), first-year dependent students were allowed to borrow up to $2,625; second-year students up to $3,500; and juniors and seniors up to $5,500. These figures are for students who are financially *dependent* on their parents.

- Students at private 4-year colleges are more likely to get merit scholarships. About 23 percent get this type of assistance.[5]

Not very many students get merit scholarships. But for those who do, it can really help. This is another reason to study hard and do well in high school.[6]

INDEPENDENT STUDENTS

- Independent students are much more likely to attend college part time than dependent students, 67 percent compared to 30 percent in 1995–96.
- About half, 48 percent, of independent students received financial aid in 1995–96.

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96

Attending part time. Some students pay for college by working while going to school part time. It naturally takes longer to finish college this way. Yet some students choose to study part time for many reasons. Part-time students usually pay less, but also get less financial aid. The tables in this handbook are based on the experiences of full-time students—they will not apply to you if you are planning to study part time. In that case, you should consult with your college's financial aid office to see what types and amounts of financial aid may be available to you.

Attending in-state or out-of-state. If you go to a public college outside your home state, you usually have to pay more. How much more? The answer depends on which state you are considering. Figures in this handbook are based on students studying in their state of legal residence. To find out the price of attending a public college in another state, contact the admissions office of the college you are interested in.

Attending college as an independent student. Approximately half of all college students in 1995–96 attended as independent students. If you are financially independent of your parents, your parents' financial circumstances are not considered in calculating financial aid. To be independent you must:

- be 24 years of age by January 1 of the school year in question; or
- be married; or
- have a dependent other than a spouse; or
- be an orphan or ward of the court; or
- be a veteran of the armed services.

Figures in this handbook are for dependent students only. Independent students should get information from the college they are interested in attending.

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[5] Figures are for full-time, full-year dependent students (NPSAS96).

[6] The tables in this handbook include merit scholarships with other types of grants.

What Else Do I Have to Pay in Addition to Tuition?

In addition to tuition, you will have other expenses as a college student. These expenses include educational expenses, such as books and laboratory fees. You will also have living expenses, such as housing, food, and transportation. Adding these expenses to tuition gives you a more realistic estimate of what it might cost to attend college. We refer to all of these expenses together as the *total price of attendance.*[7] Below is a table that shows the average additional expenses students recently had to pay, including living expenses. These figures should be similar to what you will face if you live on campus. Of course, if you live at home you can probably reduce your living expenses.

Average expenses for full-time students living on campus at 4-year colleges in 1999–00

	Public	Private
Books and supplies	$681	$700
Room and board	4,730	5,959
Transportation	658	558
Personal expenses	1,484	1,054

SOURCE: College Board, *Trends in College Pricing*, 1999.

[7] Also referred to as "total cost of attendance."

How People Manage to Pay for College

The tables that follow should give you an idea of how people pay for college. There are seven sets of tables, according to the seven categories of colleges in this handbook. Within each set of tables, you will find financial aid and college price information based on the experiences of students whose families' income levels differ.

These figures are not price quotes. The actual price of attending college depends on many factors. You will not know exactly what your first year of college will cost until you apply to a college and are accepted, apply for and receive a financial aid offer from that college, and decide how much of any loan or work-study aid to accept.

Remember this handbook shows how students paid for college, given the choices they had. Some students decided not to apply for financial aid. And not all students were willing to borrow to finance their college education. The tables do not show what aid students *might* have been offered or taken; they show how students and their families actually financed college in a recent (1995–96) academic year.*

OTHER WAYS FAMILIES MANAGE THE PRICE OF COLLEGE

Financial aid is only part of the college financing strategies students and their families use to pay for college. There are a number of other ways families manage to pay:

- Saving for college beginning early in a child's life;
- Contributions from parent's current income;
- Contributions from student's summer or school-year employment;
- Parent borrowing, such as mortgage loans, bank loans;
- Tuition payment plans;
- Reducing the total price of attending college by living at home;
- Acquiring some of the credits toward a 4-year degree at less expensive community colleges;
- Explore accelerated degree programs (e.g., 3-year Bachelor's Degree); and
- Getting a head start on college while still in high school by taking Advanced Placement courses.

* Several things have changed since 1995–96. By 1999–00, tuition at public 4-year colleges had increased on average by 17 percent (College Board, *Trends in College Pricing 1999*). Family incomes increased by roughly the same amount (15 percent) between 1995 and 1998 (U.S. Census Bureau 1999). Financial aid per college student also increased 15 percent between 1995–96 and 1998–99 (College Board, *Trends in Student Aid 1999*). For more details see page 36, "What Has Changed Since 1995–96."

Illustrative Examples

To clarify these tables, take a look at two examples of students planning on attending a public 4-year college. Our first example is Sharon. Sharon lives in Arizona with her mother. Our second example is Michael. Michael lives in North Carolina with his mother, father, and brother. Michael also has a sister who will be entering her junior year of college this fall. Both Sharon and Michael have decided they would like to attend one of their state's 4-year public universities.

The first step for Sharon and Michael is to find their state on the "tuition-level" table.[9] Sharon finds Arizona is a lower-priced state, as does Michael for North Carolina. Therefore, both Sharon and Michael turn to the tables for public 4-year colleges and universities in lower-priced states (page 22). If Sharon lived in Wisconsin, she would turn to the medium-priced tuition tables. If Michael lived in Massachusetts, he would turn to the higher-priced tuition tables.

By turning to the first table for students at a public 4-year college in a lower-priced state (page 22), Sharon and Michael find that the average tuition was $2,350, and the total average price of attending that includes all other expenses was $9,050 in 1995–96.

To see the amount of financial aid provided to students like Sharon and Michael, we start with their family income. Sharon's family income is $35,000, based on her mother's income. Therefore, Sharon will look for information on the family income-level row labeled "$20,000–40,000" on the table. Michael's family income is just over $90,000, based on the combined earnings of his mother and father. Therefore, Michael will refer to information provided on the "$80,000–100,000" row. Take a look across the table row by row.

What Are My Chances for Receiving Aid?

What are Sharon and Michael's chances for receiving financial aid? Look at the first two columns of the table.

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[9] States needed to be grouped because the NPSAS96 data (on which the tables are based) did not contain enough cases to support accurate estimates for single states. The size of state scholarship programs was also considered in grouping the states into lower, medium, and higher public 4-year tuition levels.

Family income and the likelihood of receiving financial aid

	Family income level	Percent of students who received any type of financial aid
	Below $20,000	83%
Sharon	$20,000–40,000	76%
	$40,000–60,000	56%
	$60,000–80,000	54%
Michael	$80,000–100,000	40%
	Above $100,000	32%

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Find your family income in the first column. The second column shows the percentage of full-time students attending 4-year public colleges and universities that got financial aid in 1995–96. Sharon sees that three-fourths of students like her received some financial aid (76 percent) when they attended a public 4-year college.

Michael sees that his chances for receiving financial aid are not as high as Sharon's. Only 40 percent of students from families with income levels similar to Michael's received financial aid. Michael knows that based on other factors that are considered, he may be more likely to receive aid, because he has an older sister who will also be attending college next year. Although the table shows he has less than an even chance of getting aid, given this major *additional factor*, his chances could be better.[10] In fact, Michael's sister, who will be entering her third year of college, may find that she is now eligible for aid, perhaps for the first time.

There are other additional factors that could affect your financial aid award. These are discussed beginning on page 18.

How Much Financial Aid Might I Get?

Now that Sharon and Michael have a sense of how likely it is that they will receive financial aid, the next question is, "How much?" The next column provides the range of financial aid awards received by most aid recipients within a given range of family incomes. By "most," we mean the middle half. One-quarter of aid

[10] The formula for expected family contribution (EFC) takes into account families having multiple children in college at the same time by dividing the EFC from parents equally among all of their children attending college. So if a family's EFC were $6,000 and they had two children enrolled in college at the same time, they would be expected to contribute $3,000 to each child's educational expenses.

recipients received less and one-quarter received more than the indicated range.

Family income and typical aid awards

	For those students who received financial aid:								
	Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
	Below $20,000	83%	$3,200	&	$6,500	87%	$800	&	$4,200
Sharon	$20,000–40,000	76%	$2,800	&	$6,550	83%	$600	&	$4,350
	$40,000–60,000	56%	$2,300	&	$5,500	76%	$50	&	$3,550
	$60,000–80,000	54%	$2,000	&	$5,100	71%	0	&	$3,050
Michael	$80,000–100,000	40%	$1,500	&	$4,950	64%	0	&	$2,600
	Above $100,000	32%	$2,250	&	$6,000	84%	$300	&	$3,550

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

	For those students who received financial aid:				
	Family income level	Percent of students who received any type of financial aid	Most got between		
	Below $20,000	83%	$3,200	&	$6,500
Sharon	$20,000–40,000	76%	$2,800	&	$6,550
	$40,000–60,000	56%	$2,300	&	$5,500
	$60,000–80,000	54%	$2,000	&	$5,100
Michael	$80,000–100,000	40%	$1,500	&	$4,950
	Above $100,000	32%	$2,250	&	$6,000

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Assuming Sharon receives financial aid, she might expect to receive between $2,800 and $6,550. Note that this range is rather wide; it extends over $3,000. If Michael is among the college students in his family's income category to receive aid, the total assistance typically received by families like his recently ranged from $1,500 to $4,950. This is also a wide range. Where Michael and Sharon fall within this range, or if they fall outside of it, depends on other factors that are typically considered when awarding financial aid. Some of these factors are presented in the section *Additional Factors* (page 18).

Will Financial Aid Meet My Needs?

How far do typical aid awards go in meeting the expenses associated with going to college? The next two columns in the table address this question by showing the percentage of aid recipients who receive enough financial aid to pay all of their tuition bill, and the typical ranges of financial aid left over to cover other educational and living expenses.

Financial aid remaining after paying tuition according to family income group

			For those students who received financial aid:						
	Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
	Below $20,000	83%	$3,200	&	$6,500	87%	$800	&	$4,200
Sharon	$20,000–40,000	76%	$2,800	&	$6,550	83%	$600	&	$4,350
	$40,000–60,000	56%	$2,300	&	$5,500	76%	$50	&	$3,550
	$60,000–80,000	54%	$2,000	&	$5,100	71%	0	&	$3,050
Michael	$80,000–100,000	40%	$1,500	&	$4,950	64%	0	&	$2,600
	Above $100,000	32%	$2,250	&	$6,000	84%	$300	&	$3,550

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

When looking across the correct income row, Sharon can see that 83 percent of students with a similar income background who received aid, received enough to completely pay for tuition. Sharon can see that aid in excess of tuition typically ranged from $600 to $4,350. This extra money can be used to pay for books, supplies, room, board, and other living expenses. Michael sees that 64 percent of aid recipients in his family income category received aid that fully covered tuition charges. While most students in his income category received no aid at all, among those who did, this

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aid played a substantial role. Financial aid awards, when they were received, were sufficient to cover the tuition payments of the majority of aid recipients in Michael's relatively high-income category.

What Kind of Aid Might I Get?

Sharon and Michael are also interested in knowing the form of any financial aid they might receive. They know that loans must be paid back with interest and work-study dollars are earned by taking a part-time job, usually on campus. Therefore, grant aid is the most attractive because it does not have to be repaid. Most often students get a mix of different kinds of aid. The next table indicates the percentage of students who received various types of financial aid packages according to their family income group.

Combinations of financial aid that students received

	Percent of students who received						
	Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work study
	Below $20,000	17%	28	4	39	3	8
Sharon	$20,000–40,000	24%	22	8	33	5	8
	$40,000–60,000	44%	18	19	14	3	2
	$60,000–80,000	47%	23	19	7	4	1
Michael	$80,000–100,000	61%	14	14	8	3	0
	Above $100,000	69%	19	5	5	2	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Looking at the row that includes her family's income, Sharon sees that a combination of grant and loan aid was the most common aid package received by those attending a public 4-year college in a lower-priced state. One-third of the students in Sharon's situation received this type of aid package. Over a fifth (22 percent) received only grants, and an additional 8 percent received grants, loans, and work study. Grants, either alone or combined with other forms of financial aid, play a prominent role in the aid packages for students like Sharon. Only 8 percent of students like Sharon received an aid package that consisted only of loans.

Most students in Michael's situation received no financial aid. For those who received assistance, the two most common packages were either grants (14 percent) or loans (14 percent) only. Approximately half as many students (8 percent) combined both

loans and grants and a small number (3 percent) received an aid package involving work study.

How Much Aid Might I Get From Each Type of Aid?

Finally Sharon and Michael need to know, "How much money did students like me receive from these different kinds of aid—grants, loans, and work study?" The last set of tables provides this information. Again, the percentage of students who received each type of aid and the typical range of dollar amounts are shown by family income category. And again, the ranges presented in the tables are defined by the middle 50 percent of students who received a given type of aid; that is, one-quarter received less and one-quarter received more.

Average amounts of grant, loan, and work-study aid received

	Grant Aid					
	Family income level	Percent who got grants	Students who got grants received between:			
Sharon	$20,000–40,000	66%	»	$1,000	&	$2,850
Michael	$80,000–100,000	22%	»	$500	&	$2,250
	Loan Aid					
	Family income level	Percent who got loans	Students who got loans received between:			
Sharon	$20,000–40,000	49%	»	$2,600	&	$5,250
Michael	$80,000–100,000	21%	»	$2,600	&	$5,000
	Work-Study Aid					
	Family income level	Percent who got work study	Students who got work study received between:			
Sharon	$20,000–40,000	13%	»	$600	&	$1,650
Michael	$80,000–100,000	3%	»	insufficient information[11]		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Sharon sees in these tables that among college students like her, 66 percent received grants, 49 percent took out loans, and 13 percent received work study. She notes the typical range of grant awards ($1,000 to $2,850) was smaller than the typical loan amounts ($2,600 to $5,250). Students like Sharon were more likely to receive a grant than take out a loan, but the typical amount borrowed exceeded the typical grant. A smaller percentage, but still

[11] Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

a substantial number of people like Sharon received work study and the amount received typically ranged from $600 to $1,650.

Michael sees that college students in his situation were equally likely to receive grants (22 percent) and loans (21 percent). Just as was the case for Sharon, loan amounts ($2,600 to $5,000) tended to be higher than grants ($500 to $2,250) among people in Michael's family income group.[12] Only a small fraction (3 percent) of college students in Michael's situation received work-study awards.[13]

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[12] Note that the range for loans for both Michael and Sharon are approximately equal. In fact, the ranges are similar for all income groups. This is because the limit on what you can borrow each year from the student aid programs is the same for all students. In addition to annual limits, college students face lifetime limits on the amount of federal education debt they may accumulate. See page 49, *The Student Guide: Financial Aid 1999–2000*, U.S. Department of Education, if you want more details.

[13] The data on which these tables are based do not contain a sufficient number of cases to support an accurate estimate of dollar amounts.

Information Tables on Prices and Aid

Now let's look at the tables that you can use to compare your family's situation with a similar group of families. The tables that you will use are set up just like those in the examples. To find the right information in these tables, you need to know the type of college you plan on applying to and your family's income. Separate tables are provided for seven categories of colleges.

To compare your prospects for financial aid with this recent group of students, you need to know your family income.[14] You should look at the row corresponding to your family's income level in the tables for each type of college you are considering. As you now know, financial aid eligibility calculations consider other factors in addition to income. Family income, however, provides a good rule-of-thumb. But remember that the numbers reported here are not price quotes. They are the actual prices and aid amounts faced by people like you in a particular year (1995–96).

Before reading the tables, take a look at the next section, *About Percentages and Ranges*. This section will help you understand why student financial aid is different for people with similar incomes.

About Percentages and Ranges

When you look up information based on your family's income, you will see that not all people in your income group got aid. The percentage for each group is listed in the second column under the heading "Percent of students who received any type of financial aid." In the example below, the figure was 76 percent.

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[14] If you want to look up your income on your income tax form, look at the line titled "gross income."

	For those students who received financial aid:								
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
$20,000–40,000	76%	$2 800	&	$6,550	83%	$600	&	$4,350

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Does this mean that everyone with family incomes between $20,000 and $40,000 has exactly a 76 percent chance of receiving aid, and that actually receiving aid is determined by chance? No. It means that within this income range, 76 out of 100 people got aid in a recent year. We can't be more exact without knowing more. That's because income is not the only thing taken into consideration when awarding financial aid.

The same is true for the *amount* of aid people get. The tables show a range for the amount of aid people got in a recent year. Figures are shown in the column labeled, "Most got between." In this example, the range is pretty wide, between $2,800 and $6,550. Again, to be more exact than this requires more information than just a family's income.

Additional Factors

To get a more precise idea if you are likely to get aid and if so, how much, see if the following factors apply to you and your family. If many of these factors describe your family's circumstances, then you are more likely to be among those who get aid. And if you get aid, you are more likely to be on the higher end of the range of awards.

- ***You are closer to the lower end of the income range in the table.*** In the example above, if your income were closer to $20,000 than it is to $40,000, you are more likely to get aid.
- ***You attend an expensive college.*** Generally, the more expensive your college, the more financial aid you can qualify for. In some cases, if you decide to go to a *more expensive college*, you may actually end up paying *less*. This is because many expensive colleges have more funds

to help students. So don't automatically assume you can't afford the more expensive college.

- ***You have sisters or brothers in college at the same time.*** Here too, if circumstances make it harder for your family to pay, financial aid often helps make up the difference. For most families, putting two children through college simultaneously without more financial aid would be much harder.
- ***You come from a large family.*** If you have a large number of sisters or brothers who remain dependent on the family for support, the financial aid system will take that into account.
- ***You pay above average state or local taxes.*** Some places have higher taxes than others do. This too is taken into account when awarding aid.
- ***You have little accumulated wealth or savings.*** The financial aid system assumes that some of your savings ought to be used to pay for college. But if you have not managed to save much money or accumulate other assets (stocks and bonds for example), you may be more likely to qualify for aid or receive more aid.
- ***You have unusual expenses, such as medical bills.*** The financial aid system will take into account your increased need for aid if you have been faced with unusually large medical bills.
- ***You do not work while attending college.*** Students often find they can work part time when attending college full time. If you do, you will be expected to contribute some of your earnings to pay for college. But if you do not earn much money while in college, you may get some more financial aid to help you pay for college.
- ***You are willing to borrow.*** Loans are a big part of the financial aid package offered to many students. But you don't have to accept loans—you can substitute your own money for the loan amount you may be offered. The tables in this handbook show the amount actually borrowed, not the amount that *could have been* borrowed.

If *many* of these factors apply to you and your family, then your chances of getting aid are *higher* than average for your income group. And the amount of aid you get will either be like those people near the top of the range who got aid—in this example $6,550—or you may get even more than the top figure in the range. Remember that the ranges show the average award for the middle half of a recent group of families. About one-fourth of them got more than the stated range. About one-fourth got less.

If *few* of these factors apply to you and your family, the reverse is true—lower chances for aid and lower aid awards would be more typical.

List of Tables Showing College Prices and Aid

PUBLIC 4-YEAR COLLEGES AND UNIVERSITIES IN LOWER-PRICED STATES (UNDER $2,100) ..... PAGE 22

PUBLIC 4-YEAR COLLEGES AND UNIVERSITIES IN MEDIUM-PRICED STATES (BETWEEN $2,100 AND $3,100) ..... PAGE 24

PUBLIC 4-YEAR COLLEGES AND UNIVERSITIES IN HIGHER-PRICED STATES (OVER $3,100) ..... PAGE 26

PRIVATE 4-YEAR COLLEGES AND UNIVERSITIES WITH LOWER TUITION (UNDER $10,000) ..... PAGE 28

PRIVATE 4-YEAR COLLEGES AND UNIVERSITIES WITH MEDIUM TUITION (BETWEEN $10,000 AND $15,000) ..... PAGE 30

PRIVATE 4-YEAR COLLEGES WITH HIGHER TUITION (OVER $15,000) ..... PAGE 32

PUBLIC 2-YEAR COLLEGES ..... PAGE 34

Public Four-Year Colleges and Universities: Lower-Priced States

AVERAGE IN-STATE TUITION: $2,350

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $9,050

Arizona

Arkansas

District of Columbia

Florida

Georgia

Hawaii

Idaho

Kentucky

Louisiana

New Mexico

North Carolina

Oklahoma

Tennessee

Texas

West Virginia

Wyoming

Who received aid, how much aid they received, and how much aid was left over for other expenses

	For those students who received financial aid:							
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	83%	$3,200	&	$6,500	87%	$800	&	$4,200
$20,000–40,000	76%	$2,800	&	$6,550	83%	$600	&	$4,350
$40,000–60,000	56%	$2,300	&	$5,500	76%	$50	&	$3,550
$60,000–80,000	54%	$2,000	&	$5,100	71%	0	&	$3,050
$80,000–100,000	40%	$1,500	&	$4,950	64%	0	&	$2,600
Above $100,000	32%	$2,250	&	$6,000	84%	$300	&	$3,550

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

	Percent of students who received					
Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work-study
Below $20,000	17%	28	4	39	3	8
$20,000–40,000	24%	22	8	33	5	8
$40,000–60,000	44%	18	19	14	3	2
$60,000–80,000	47%	23	19	7	4	1
$80,000–100,000	61%	14	14	8	3	0
Above $100,000	69%	19	5	5	2	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	51%	➤	$2,600	&	$4,800
$20,000–40,000	49%	➤	$2,600	&	$5,250
$40,000–60,000	35%	➤	$2,600	&	$5,500
$60,000–80,000	27%	➤	$2,600	&	$5,500
$80,000–100,000	21%	➤	$2,600	&	$5,000
Above $100,000	10%	➤	insufficient information*		
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	77%	➤	$2,050	&	$3,700
$20,000–40,000	66%	➤	$1,000	&	$2,850
$40,000–60,000	35%	➤	$850	&	$3,200
$60,000–80,000	32%	➤	$1,000	&	$2,650
$80,000–100,000	22%	➤	$500	&	$2,250
Above $100,000	25%	➤	$1,900	&	$2,900
Work-study Aid					
Family income level	Percent who got work-study	Students who got work-study received between:			
Below $20,000	11%	➤	$500	&	$1,800
$20,000–40,000	13%	➤	$600	&	$1,650
$40,000–60,000	5%	➤	insufficient information*		
$60,000–80,000	4%	➤	insufficient information*		
$80,000–100,000	3%	➤	insufficient information*		
Above $100,000	2%	➤	insufficient information*		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

* Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

Public Four-Year Colleges and Universities: Medium-Priced States

AVERAGE IN-STATE TUITION: $3,250

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $10,400

Alabama

Alaska

California

Colorado

Illinois

Indiana

Iowa

Kansas

Minnesota

Mississippi

Missouri

Montana

Nebraska

New York

North Dakota

Oregon

South Dakota

Utah

Washington

Wisconsin

Who received aid, how much aid they received, and how much aid was left over for other expenses

For those students who received financial aid:								
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	90%	$4,100	&	$9,000	89%	$1,550	&	$5,500
$20,000–40,000	82%	$3,550	&	$7,800	82%	$550	&	$4,750
$40,000–60,000	65%	$2,550	&	$6,250	67%	0	&	$3,400
$60,000–80,000	52%	$2,000	&	$5,500	58%	0	&	$2,250
$80,000–100,000	38%	$2,600	&	$5,500	59%	0	&	$2,400
Above $100,000	25%	$1,000	&	$5,500	42%	0	&	$2,500

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

Percent of students who received						
Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work study
Below $20,000	10%	32	3	39	6	9
$20,000–40,000	18%	22	10	41	2	6
$40,000–60,000	36%	17	22	18	3	4
$60,000–80,000	48%	17	24	8	3	0
$80,000–100,000	63%	8	22	6	1	0
Above $100,000	77%	12	8	1	2	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	86%	➳	$2,350	&	$5,900
$20,000–40,000	70%	➳	$1,200	&	$3,800
$40,000–60,000	40%	➳	$500	&	$2,500
$60,000–80,000	25%	➳	$900	&	$2,400
$80,000–100,000	14%	➳	$500	&	$2,700
Above $100,000	13%	➳	$400	&	$2,450
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	52%	➳	$2,600	&	$4,900
$20,000–40,000	58%	➳	$3,000	&	$5,500
$40,000–60,000	46%	➳	$2,600	&	$5,500
$60,000–80,000	34%	➳	$2,600	&	$5,500
$80,000–100,000	27%	➳	$3,500	&	$5,650
Above $100,000	10%	➳	$3,050	&	$10,500
Work-study Aid					
Family income level	Percent who got work-study	Students who got work-study received between:			
Below $20,000	15%	➳	$1,000	&	$1,750
$20,000–40,000	8%	➳	$850	&	$1,800
$40,000–60,000	7%	➳	$850	&	$1,500
$60,000–80,000	3%	➳	insufficient information*		
$80,000–100,000	1%	➳	insufficient information*		
Above $100,000	2%	➳	insufficient information*		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

* Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

Public Four-Year Colleges and Universities: Higher-Priced States

AVERAGE IN-STATE TUITION: $4,400

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $11,050

Connecticut

Delaware

Maine

Maryland

Massachusetts

Michigan

Nevada

New Hampshire

New Jersey

Ohio

Pennsylvania

Rhode Island

South Carolina

Vermont

Virginia

Who received aid, how much aid they received, and how much aid was left over for other expenses

	For those students who received financial aid:								
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	87%	$5,350	&	$10,000	85%	$1,350	&	$5,650
$20,000–40,000	82%	$4,400	&	$8,500	76%	$150	&	$4,450
$40,000–60,000	69%	$3,000	&	$7,000	62%	0	&	$2,550
$60,000–80,000	54%	$2,600	&	$6,100	44%	0	&	$1,700
$80,000–100,000	50%	$2,600	&	$7,000	46%	0	&	$2,500
Above $100,000	28%	$2,600	&	$5,000	36%	0	&	$700

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

	Percent of students who received					
Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work-study
Below $20,000	13%	18	4	47	6	12
$20,000–40,000	18%	13	7	44	2	16
$40,000–60,000	31%	10	23	24	5	7
$60,000–80,000	47%	11	28	9	4	2
$80,000–100,000	50%	12	27	5	6	0
Above $100,000	74%	6	14	2	4	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	82%	➳	$2,500	&	$5,750
$20,000–40,000	74%	➳	$1,400	&	$4,150
$40,000–60,000	41%	➳	$750	&	$2,700
$60,000–80,000	22%	➳	$600	&	$2,550
$80,000–100,000	17%	➳	$500	&	$3,750
Above $100,000	8%	➳	insufficient information*		
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	63%	➳	$2,600	&	$5,450
$20,000–40,000	67%	➳	$2,600	&	$5,500
$40,000–60,000	56%	➳	$2,600	&	$5,500
$60,000–80,000	39%	➳	$2,600	&	$6,100
$80,000–100,000	34%	➳	$2,600	&	$7,600
Above $100,000	18%	➳	$2,600	&	$5,000
Work-study Aid					
Family income level	Percent who got work-study	Students who got work-study received between:			
Below $20,000	18%	➳	$650	&	$1,500
$20,000–40,000	18%	➳	$650	&	$1,550
$40,000–60,000	12%	➳	$800	&	$2,000
$60,000–80,000	5%	➳	insufficient information*		
$80,000–100,000	6%	➳	insufficient information*		
Above $100,000	4%	➳	insufficient information*		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

* Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

Private Four-Year Colleges and Universities: Lower-Tuition (Below $10,000)

AVERAGE TUITION: $6,400

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $13,000

Who received aid, how much aid they received, and how much aid was left over for other expenses

	For those students who received financial aid:								
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	96%	$3,250	&	$10,000	66%	0	&	$3,400
$20,000–40,000	93%	$3,150	&	$10,900	54%	0	&	$3,550
$40,000–60,000	84%	$3,500	&	$10,100	50%	0	&	$2,800
$60,000–80,000	76%	$3,500	&	$10,000	43%	0	&	$1,500
$80,000–100,000	60%	$1,800	&	$8,600	30%	0	&	$1,400
Above $100,000	51%	$1,500	&	$7,600	26%	0	&	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

	Percent of students who received					
Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work-study
Below $20,000	4%	26	1	40	11	19
$20,000–40,000	7%	27	8	35	4	19
$40,000–60,000	16%	27	13	24	6	14
$60,000–80,000	24%	33	13	19	1	10
$80,000–100,000	42%	23	12	19	2	4
Above $100,000	50%	33	7	9	0	1

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	95%	➳	$2,350	&	$5,450
$20,000–40,000	84%	➳	$1,800	&	$6,000
$40,000–60,000	70%	➳	$2,000	&	$6,250
$60,000–80,000	63%	➳	$1,250	&	$5,900
$80,000–100,000	45%	➳	$1,000	&	$3,500
Above $100,000	41%	➳	$1,000	&	$3,000
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	59%	➳	$2,600	&	$4,600
$20,000–40,000	62%	➳	$2,600	&	$5,500
$40,000–60,000	52%	➳	$2,600	&	$5,500
$60,000–80,000	42%	➳	$3,300	&	$7,500
$80,000–100,000	34%	➳	$3,500	&	$7,600
Above $100,000	16%	➳	insufficient information*		
Work-study Aid					
Family income level	Percent who got work study	Students who got work study received between:			
Below $20,000	29%	➳	$400	&	$1,150
$20,000–40,000	23%	➳	$750	&	$1,500
$40,000–60,000	20%	➳	$900	&	$1,800
$60,000–80,000	11%	➳	insufficient information*		
$80,000–100,000	6%	➳	insufficient information*		
Above $100,000	1%	➳	insufficient information*		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

* Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

Private Four-Year Colleges and Universities: Medium-Tuition (Between $10,000 and $14,999)

AVERAGE TUITION: $12,800

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $19,200

Who received aid, how much aid they received, and how much aid was left over for other expenses

	For those students who received financial aid:								
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	91%	$10,350	&	$16,250	58%	0	&	$3,900
$20,000–40,000	96%	$9,500	&	$16,250	55%	0	&	$3,350
$40,000–60,000	92%	$7,800	&	$15,150	39%	0	&	$2,050
$60,000–80,000	87%	$6,000	&	$12,400	21%	0	&	0
$80,000–100,000	79%	$4,050	&	$11,700	21%	0	&	0
Above $100,000	62%	$2,000	&	$9,500	16%	0	&	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

	Percent of students who received					
Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work-study
Below $20,000	9%	15	5	35	4	32
$20,000–40,000	5%	15	2	35	5	40
$40,000–60,000	8%	15	4	29	5	38
$60,000–80,000	13%	20	9	32	4	23
$80,000–100,000	21%	23	9	26	7	15
Above $100,000	39%	24	10	19	3	5

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	84%	➳	$5,850	&	$11,500
$20,000–40,000	92%	➳	$4,600	&	$10,300
$40,000–60,000	85%	➳	$3,600	&	$8,500
$60,000–80,000	75%	➳	$3,000	&	$7,000
$80,000–100,000	66%	➳	$2,250	&	$6,500
Above $100,000	51%	➳	$1,100	&	$4,500
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	70%	➳	$3,500	&	$5,500
$20,000–40,000	76%	➳	$3,500	&	$6,250
$40,000–60,000	73%	➳	$3,500	&	$6,750
$60,000–80,000	63%	➳	$3,500	&	$5,950
$80,000–100,000	50%	➳	$2,600	&	$6,350
Above $100,000	33%	➳	$3,500	&	$7,500
Work-study Aid					
Family income level	Percent who got work study	Students who got work study received between:			
Below $20,000	36%	➳	$1,000	&	$2,000
$20,000–40,000	44%	➳	$1,000	&	$1,800
$40,000–60,000	43%	➳	$1,000	&	$1,500
$60,000–80,000	26%	➳	$1,000	&	$1,500
$80,000–100,000	22%	➳	$800	&	$1,800
Above $100,000	8%	➳	insufficient information*		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

* Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

Private Four-Year Colleges and Universities: Higher-Tuition (Above $15,000)

AVERAGE TUITION: $18,500

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $26,250

Who received aid, how much aid they received, and how much aid was left over for other expenses

	For those students who received financial aid:							
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	80%	$14,300	&	$23,750	59%	0	&	$5,400
$20,000–40,000	92%	$13,900	&	$23,400	58%	0	&	$4,650
$40,000–60,000	80%	$10,500	&	$19,750	43%	0	&	$2,400
$60,000–80,000	63%	$8,200	&	$19,400	27%	0	&	$250
$80,000–100,000	62%	$5,900	&	$17,000	16%	0	&	0
Above $100,000	41%	$3,250	&	$15,500	20%	0	&	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

	Percent of students who received					
Family income level	No aid	Grants only	Loans only	Grants and loans	Work study	Grants, loans, and work-study
Below $20,000	20%	12	2	25	4	36
$20,000–40,000	9%	12	3	24	3	50
$40,000–60,000	21%	12	4	24	3	37
$60,000–80,000	37%	9	4	23	3	24
$80,000–100,000	39%	13	6	19	3	20
Above $100,000	59%	15	10	7	3	6

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	76%	➳	$8,650	&	$17,950
$20,000–40,000	88%	➳	$7,850	&	$18,050
$40,000–60,000	74%	➳	$5,900	&	$13,400
$60,000–80,000	57%	➳	$5,000	&	$10,750
$80,000–100,000	52%	➳	$2,600	&	$8,300
Above $100,000	30%	➳	$2,000	&	$8,750
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	63%	➳	$3,600	&	$6,100
$20,000–40,000	76%	➳	$3,500	&	$6,400
$40,000–60,000	65%	➳	$3,500	&	$6,500
$60,000–80,000	52%	➳	$3,500	&	$7,100
$80,000–100,000	46%	➳	$3,500	&	$5,600
Above $100,000	24%	➳	$3,500	&	$15,500
Work-study Aid					
Family income level	Percent who got work-study	Students who got work-study received between:			
Below $20,000	40%	➳	$1,300	&	$2,000
$20,000–40,000	52%	➳	$1,200	&	$1,800
$40,000–60,000	39%	➳	$1,000	&	$1,800
$60,000–80,000	26%	➳	$1,000	&	$1,800
$80,000–100,000	23%	➳	$950	&	$1,800
Above $100,000	9%	➳	$1,000	&	$2,000

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Public Two-Year Colleges

AVERAGE TUITION: $1,300

AVERAGE TOTAL PRICE INCLUDING LIVING AND OTHER EXPENSES: $6,800

Who received aid, how much aid they received, and how much aid was left over for other expenses

	For those students who received financial aid:							
Family income level	Percent of students who received any type of financial aid	Most got between:			Percent whose tuition was fully covered	After paying tuition, aid was used for living expenses and other educational needs. Such aid ranged between:		
Below $20,000	81%	$2,100	&	$3,900	94%	$700	&	$2,500
$20,000–40,000	49%	$1,400	&	$3,100	78%	0	&	$2,000
$40,000–60,000	35%	$800	&	$2,600	63%	0	&	$1,150
Above $60,000	21%	$600	&	$2,600	43%	0	&	$550

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Combinations of financial aid that students received

	Percent of students who received							
Family income level	No aid	Grants only	Loans only	Work study only	Grants and loans	Grants and work study	Loans and work study	Grants, loans, and work study
Below $20,000	19%	54	3	0	12	11	0	0
$20,000–40,000	52%	33	3	0	9	3	0	1
$40,000–60,000	66%	20	9	0	5	0	0	0
Above 60,000	80%	13	5	0	2	0	0	0

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

Average amounts of grant, loan, and work-study aid received

Grant Aid					
Family income level	Percent who got grants	Students who got grants received between:			
Below $20,000	77%	➤	$2,000	&	$2,800
$20,000–40,000	44%	➤	$950	&	$2,450
$40,000–60,000	24%	➤	$450	&	$1,500
Above $60,000	15%	➤	$500	&	$1,050
Loan Aid					
Family income level	Percent who got loans	Students who got loans received between:			
Below $20,000	16%	➤	insufficient information*		
$20,000–40,000	13%	➤	insufficient information*		
$40,000–60,000	14%	➤	insufficient information*		
Above $60,000	8%	➤	insufficient information*		
Work-study Aid					
Family income level	Percent who got work study	Students who got work study received between:			
Below $20,000	12%	➤	insufficient information*		
$20,000–40,000	4%	➤	insufficient information*		
$40,000–60,000	Below 1%	➤	insufficient information*		
Above $60,000	Below 1%	➤	insufficient information*		

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

*Figures in this handbook are based on national surveys. In some cases, not enough people fall into a particular category of interest to provide reliable estimates.

What Has Changed Since 1995–96

The data used in this handbook were 4 years old at the time this handbook was prepared. In these 4 years, college prices have continued to increase. While increases in tuition are a legitimate concern for you and your family as you approach college, you should be aware that the amount of financial aid available to students in general is also increasing. Furthermore, federal tax credits were established in 1997 that may allow you or your parents to substantially reduce your income tax during the years you are paying for college. Finally, family income has also increased substantially since the 1995–96 school year.

Tuition Increases

Since the academic year of 1995–96, tuition has increased substantially. Between 1995–96 and 1999–2000, tuition increased 17 percent at public 2-year and 4-year colleges. During the same time period, tuition increased 24 percent at private 4-year colleges. The current average tuition at different types of institutions is provided in the following table.

Average College Tuition by Type of Institution, 1999–2000

Public 4-year (in state)	$3,356
Public 2-year (in state)	$1,627
Private 4-year	$15,380

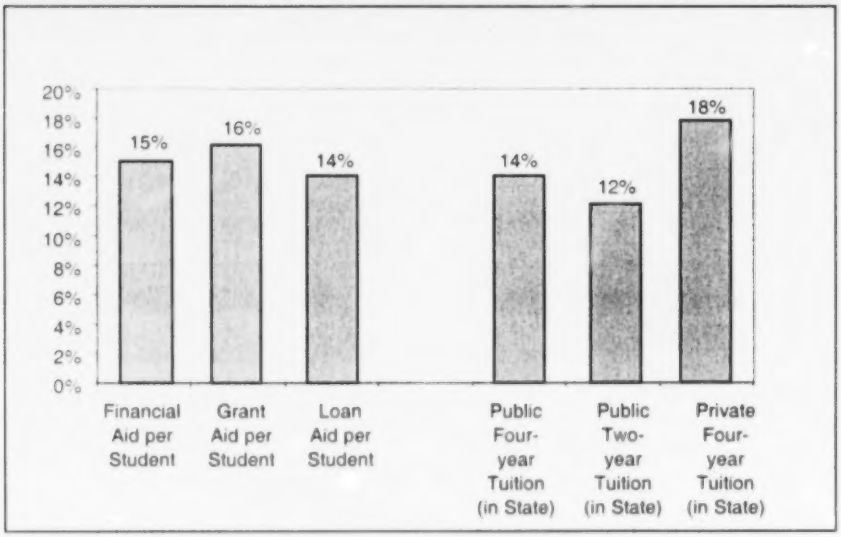
SOURCE: College Board, *Trends in College Pricing* 1999.

Financial Aid Increases

In terms of tuition alone, college is certainly more expensive than it was in 1995–96. Financial aid appears, however, to be keeping up. This is part of the reason millions of students and their families continue to find higher education financially manageable. The most recent financial aid estimates are for the 1998–99 academic year. Since 1995–96, financial aid per student[15] has been increasing at roughly the same rate as college tuition. Note that both loan and grant aid are increasing. As indicated in the graph below, the amount of financial aid per college student increased 15 percent between 1995–96 and 1998–99. This is comparable to the 12 to 18 percent increases in tuition experienced at different types of colleges.

[15] Full-time equivalent (FTE) students are used in this calculation. This takes into account part-time students by equating each full-time student with a given number, usually three, part-time students.

Percentage Increase in Financial Aid and College Tuition 1995–96 to 1998–99



SOURCE: College Board, *Trends in Student Financial Aid 1999* and *Trends in College Pricing 1999*.

NOTE: Aid data calculated on a full-time equivalent basis.

Tax Changes

In addition to increases in financial aid, new federal tax credits have been established that allow many families to claim federal income tax credits. The Hope Credit allows families to claim up to $1,500 in a nonrefundable tax credit to offset the expenses associated with the first 2 years of college. The Lifetime Learning Credit allows for a credit of up to $1,000 for subsequent years of college. These education credits are gradually reduced if your modified adjusted gross income is between $40,000 and $50,000 ($80,000 and $100,000 in the case of a joint return).

Recent changes in the federal tax laws have also made it easier to save for college by establishing education IRAs[16] and allowing parents to use funds in their retirement accounts to help pay for college. Many individual states are also establishing assisted savings or prepaid tuition programs that help families better prepare for college.

Family Income

Families with higher incomes may have more money available to help pay for college. Between 1995 and 1998, median

[16] IRAs are "Independent Retirement Accounts" and they allow individuals to save money without having to pay current income taxes. This makes it easier to save.

family income increased from $40,611 to $46,737, a 15 percent increase.[17]

Working While Going to College

The majority of college students work to earn money while attending college. The following table shows the percentage of full-time, full-year college students in different types of colleges who work different numbers of hours.[18]

Hours typically worked per week while enrolled full-time in college

	None	1 to 10	11 to 20	21 to 39	40 or more
Public 4-year (in state)	26%	12%	34%	21%	6%
Public 2-year (in state)	17%	6%	29%	35%	13%
Private 4-year	28%	10%	33%	26%	8%

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

While a substantial number of college students do not work at all, the majority of students in all types of colleges work to some extent while in school. In deciding how much work to combine with your studies, you need to strike your own balance between the extra income and experience employment provides and a potentially harmful loss of study time. A recent study found that students who worked up to 20 hours a week were no less likely to finish their bachelor's degree than students who did not work at all, but those working more than 20 hours were less likely to finish their degree within 5 years.[19] Most 4-year college students who work, work less than 20 hours.

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[17] U.S. Census Bureau, Current Population Reports, P60–206, *Money Income in the United States: 1998*, U.S. Government Printing Office, Washington, DC, 1999.

[18] These figures are like most in this handbook; they are for students who are dependent on their parents and who study full time for the full academic year. Many students who do not enroll in school full time work much more.

[19] U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1997: Postsecondary Persistence and Employment*. (NCES 97-984.) Washington, DC, 1998.

Other Things You Should Know

Understanding Student Financial Aid

The major federal programs providing financial assistance to students fall into three categories: grants, loans, and tax incentives of various kinds. Most of these are directed to low- and middle-income students with financial need.[20]

Grants and Work-Study

The **Pell Grant Program** provided a maximum of $3,125 during the academic year of 1999–00. The amount of money available each year varies, depending on the funding allocated to this program in the federal budget. Pell Grants are targeted toward low-income students, most of whom are from families with annual incomes below $20,000.

The **Federal Supplemental Educational Opportunity Grant Program (FSEOG)** provides additional grant aid to students from extremely low-income families.

The **Federal Work-Study Program** helps to pay for jobs on and off campus as part of need-based financial aid packages. Unlike the Pell Grant and the FSEOG program, which are available only to undergraduate students, Federal Work-Study aid also assists graduate and professional students.

Loan Programs

A variety of loan programs exist to help cover college tuition and other expenses. Many of these programs are quite helpful; they

[20] This section is based on the National Commission on the Cost of Higher Education final report (1998).

have very low interest rates and allow payments to be put off until you leave college.

The **Perkins Loan Program** (formerly the National Defense Loan Program) provides low-interest loans to low-income students.

Stafford Loans are available to students from all income levels. Students who demonstrate financial need are eligible for interest subsidies; students who do not demonstrate financial need, while not eligible for interest subsidies, may defer loan and interest payments while in school and under certain special circumstances. **PLUS loans** provide assistance to parents of students or dependent undergraduate students in an amount up to the cost of college attendance, minus other financial aid. Both the Stafford and PLUS loan programs are available through banks (called the Federal Financial Education Loan Program) or directly through the federal government (called the William D. Ford Direct Loan Program).

Tax Incentives

The budget reached by Congress and the White House in August 1997 provided about $40 billion over 5 years in tax breaks to help students pay for higher education. These tax breaks are described below.

Hope Scholarships provide a dollar for dollar tax credit for 100 percent of the first $1,000 of tuition and fees and 50 percent of the second $1,000. This credit phases out for joint filers with incomes between $80,000 and $100,000 and for single filers with incomes between $40,000 and $50,000. Tax credits are *nonrefundable*, meaning that if you don't pay enough income tax to take advantage of the credit, you do not get the benefit.

College juniors, seniors, and graduate students may receive a nonrefundable 20 percent tax credit on the first $5,000 of tuition and fees through 2002 (and the first $10,000 thereafter). To encourage lifelong learning, the credit is also available to working Americans. The credit is phased out at the same income levels as the Hope Scholarship. Unlike the Hope Scholarship, the Lifetime Learning Credit is calculated on a per family, rather than a per student, basis.

Education and Retirement Savings Accounts allow penalty-free IRA withdrawals for undergraduate and graduate programs and postsecondary vocational programs. In addition, eligible taxpayers can deposit $500 annually into an education IRA which will accumulate earnings tax-free, with no taxes due until withdrawal for approved purposes.

Other Major Provisions: Workers can exclude $5,250 of employer provided education benefits from taxable incomes; eligible taxpayers can deduct up to $2,500 per year of interest paid on education loans and exclude from taxable income loan amounts forgiven for participating in community service jobs; and taxpayers are exempt from taxation on some earnings on prepaid tuition plans.

In addition to these federal sources of financial aid, many students receive financial assistance from non-federal aid sources.

Other Sources

Grants from colleges themselves are available at most private and many public colleges. These awards are made on both a need and non-need basis. Need-based awards at private colleges can dramatically reduce or even eliminate the price difference between the public and private sectors of higher education. Many 4-year colleges and universities compete for the best students by awarding Merit Scholarships that may not consider a student's financial need at all.

Many states have their own *state grant* programs. The nature of these programs varies. Some states offer need-based grants for students attending public colleges only. These grants often help offset relatively high public tuition levels. Other states make grant funds available to state residents attending private colleges within their boundaries.

A number of private community organizations and businesses also offer grants (scholarships) to students based on a number of criteria. These criteria could range from outstanding citizenship activities while in high school to being the child of an organization's member.

In addition to federal loan programs, there are private loan sources. Many banks, savings and loans, and credit unions offer unsubsidized loans for college to families with good credit. Furthermore, families who own their homes can often get a home equity loan to finance a child's college education. Such unsubsidized loans must be paid back at regular rates of interest. That could make them more expensive in the long run.

A Note on Borrowing

Over the last 20 years, loans have replaced grants as the primary source of financial aid to college students. Loans make going to college more manageable financially, but you do have to repay them with interest after leaving school. Loans must be paid

back even if an individual decides not to complete school or obtain a degree. For many college students, the decision regarding how much to borrow plays a central role in determining which college they can afford. How much debt individuals are willing to incur to finance their college education is an extremely important and necessarily individual decision. Many people are concerned about borrowing too much.

To give you an idea of what you will face, we provide information concerning the amount of debt a recent group of college students had built up by their final year in school. This is broken down according to the type of school they attended. You will also find information about the amount of income (before taxes) that would probably be sufficient to comfortably repay varying levels of total educational debt. The sufficiency of any income, of course, depends on what other expenses you have. Therefore, these figures are only rough estimates.

The table below shows the percent of students in their final year at college who borrowed money to attend college. Note that slightly less than a third of public 2-year students were in debt, while over half of all students at 4-year colleges were. Typical debt amounts varied quite a bit depending on the type of college attended. For example, for seniors with loans who attended public 4-year colleges, the typical debt range was between $5,000 and $14,500. Remember 49 percent of seniors at this type of school owed nothing.

Total indebtedness among final-year full-time students at different types of colleges

	Percent with Debt	Typical range of debt	
		From	To
Public 2-year	31%	$1,000	$5,000
Public 4-year	51%	$5,000	$14,500
Private 4-year	55%	$8,500	$17,900

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96.

The next table shows the monthly payments required to repay various levels of student loan debt over the typical repayment period of 10 years. We assume that a current interest rate on a major loan program (Stafford Loans) remains in place (8.25 percent). Lenders often assume that payments that constitute between 5 to 15 percent of a new college graduate's income are manageable. The amount of money individuals can comfortably devote to student

loan payments again depends on what other expenses they face. We have chosen an 8 percent payment to income ratio to estimate sufficient income levels.

Based on this ratio of payments to income, students borrowing $2,500 each year during a 4-year college career, for a total of $10,000 in loans, will need to find employment with an income of at least $18,400 in order to be able to comfortably manage repayment. In this case you have to pay $123 every month for 10 years to repay this debt after you complete your studies.

Amount borrowed, projected monthly payment, and sufficient annual income

Amount Borrowed	Projected Monthly Payment	Sufficient Annual Income
$5,000	($61)	$9,200
$7,500	($92)	$13,800
$10,000	($123)	$18,400
$12,500	($153)	$23,000
$15,000	($184)	$27,600
$17,500	($215)	$32,200
$20,000	($245)	$36,800

SOURCE: Tabulations by the American Institutes for Research assuming an interest rate of 8.25 percent, 10-year repayment plan, and defining income as "sufficient" if monthly payments constitute 8 percent or less of monthly income.

EFC: The Expected Family Contribution

The Expected Family Contribution (EFC) is the way a family's ability to pay for college is calculated. The formula for determining eligibility for federal aid programs is the same across all colleges. When you apply for financial aid, expect to answer questions about your family's income and savings. Most of this information is readily available from your tax returns, paycheck stubs, and bank and other financial account statements. Remember that this formula does *not* consider the actual price of attending a given college or university—your *EFC* is the same regardless of whether you attend a public college with tuition of $5,000 or a private college that charges $22,000.

The EFC formula considers:

- family income;
- accumulated savings,
- the amount of taxes paid;
- family size;
- the number of children simultaneously enrolled in college;
- the age of the older parent and how close they may be to retirement; and
- the student's own financial resources.

Expected family contribution (EFC)

Family income level	Typical EFC range		
Below $20,000	$0	&	$800
$20,000–40,000	$900	&	$3,400
$40,000–60,000	$4,100	&	$7,650
$60,000–80,000	$8,950	&	$12,850
$80,000–100,000	$12,000	&	$16,850
Above $100,000	$17,800	&	$33,800

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 1995–96

The above table provides a range of typical EFCs for students attending college full time and for the full year during the 1995–96 academic year by family income. By "typical" we mean that one-half of the college students from families with the specified income have EFCs within the indicated interval; one-quarter were expected to contribute less and one-quarter were expected to pay more. Therefore, the above table provides a general idea of what EFC prospective students can expect to face.

The EFC table shows that families of modest economic means are expected to contribute less to their children's college education than wealthier families. Most families with incomes less than $20,000 are expected to pay less than $800, while most families with incomes greater than $100,000 are expected to contribute more than $18,000. The table shows that a family's ability to pay (EFC) varies quite a bit within many of the family income groups. This is due to the factors other than income that are considered when determining a family's ability to pay.

To figure out your own EFC, you have to fill out the Free Application for Federal Student Aid (FAFSA) form and submit it to the financial aid office of the colleges you are applying to. Or you can make the calculation yourself using computer software that will provide personalized EFC estimates for prospective college students.[21] Does this calculation mean that this is what you will have to pay, regardless of other factors? No.

What you end up paying for college may turn out to be quite different than the EFC for a number of reasons. There are factors in addition to financial need that come into play in determining how much you will have to pay. These factors include:

[21] Sallie Mae—www.Salliemae.com and College Board—www.collegeboard.org

- non-need-based financial aid (merit scholarships);
- attending colleges that are priced less than your EFC;
- rejecting a portion of your financial aid awards (especially loans);
- colleges being unable to meet the financial need of all their aid applicants; and,
- potential financial aid recipients deciding not to apply for financial aid.

Non-need-based financial aid. Financial aid is also available without regard to financial need. This aid ranges from unsubsidized loans (you pay the money back and you pay the interest on the loan while in school) to merit scholarships (you don't repay anything).

Many students do not get aid, because they fail to apply. The table below indicates the percentage of full-time college students who applied for financial aid by family income, and the percent of those who applied who received some form of financial aid. Note that the vast majority of all aid applicants receive financial aid.

Applying for and Receiving Financial Aid

Family income level	Applied for aid	Applicant received aid
Below $20,000	90%	96%
$20,000–40,000	83%	93%
$40,000–60,000	72%	88%
$60,000–80,000	64%	87%
$80,000–100,000	59%	84%
Above $100,000	42%	82%

In 1995–96, approximately one-third of all financial aid received by full-time, dependent students was distributed without regard to financial need. The majority of this aid was in the form of loans where the borrower incurs interest charges while in school.

Technical Notes

These notes provide a description of the primary data sources used in this handbook. A listing of the analysis conventions used is also provided.

National Postsecondary Student Aid Study (NPSAS96)

The detailed student level information provided in this handbook is based on the most recent *National Postsecondary Student Aid Study* (NPSAS96), released in 1998. The 1995–96 NPSAS survey provides information on the cost of postsecondary education, the distribution of financial aid, and the characteristics of both aided and non-aided students and their families. The study provides a nationally representative sample of all students enrolled in postsecondary education institutions. This handbook uses information from undergraduate students only.

College Board

The College Board's *Annual Survey of Colleges* for the academic year of 1995–96 was used to determine the average college tuition in each of the 50 states and the District of Columbia. Together with state aid figures, the average tuition at public 4-year institutions was used to group states for the presentation of detailed financial aid information by family income level. The College Board's most recent Annual Survey for the 1999–00 academic year was used to update the text, but the state groupings are based on 1995–96 data in order to correspond with the NPSAS96 information.

National Association of State Student Grant and Aid Programs

In addition to differences in college tuition, states differ in the size of their state scholarship programs. Data from the *National Association of State Student Grant and Aid Programs* (NASSGAP) 27th Annual Report (covering the academic year of 1995–96) were

used to determine the amount of state grant funding available to undergraduate students attending public colleges and universities in each of the 50 states and the District of Columbia.

The tables that show aid amounts by family income organize public college students based on their state of residence. State groups were determined by *net tuition*. State *net tuition groups* reflect both average in-state tuition charges and the size of state grant programs. NASSGAP data were used to determine the total amount of state grants going to undergraduate students attending a public college in a given state. This was divided by the full-time-equivalent enrollment at public institutions of higher education in each state. This "average state grant" was subtracted from the average state tuition estimated with College Board data. The resulting "net tuition" figure was used in grouping the states.

Analysis Conventions

Unless otherwise noted, the tables in this handbook:

- present information only for dependent, undergraduate students attending a single institution full time for the entire academic year;
- include information for all full-time, full-year undergraduate students attending a specified type of school. In other words, freshmen, sophomores, juniors, and seniors are all combined;[22]
- do not adjust dollar amounts (family income, financial aid, and tuition) for inflation;
- group states when analyzing public 4-year colleges based on College Board data from 1995–96; and[23]
- do not present information for figures based on the experiences of less than 30 people in the sample. In such cases "insufficient information" is indicated.

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[22] While there are some minor differences between first-year students and subsequent year enrollees in terms of financial aid, these differences tend to be minor and not statistically significant. The main difference in terms of the information in this handbook is the amount of loan aid first-year students receive if they borrow to finance college. Loans to first-year students were significantly smaller than those to upperclassmen.

[23] Ideally, separate analysis would have been carried out for each state. However, NPSAS was not designed to support analysis at the state level. First, there are simply not enough cases to support the detailed analysis at the state level. Second, the survey design used by NPSAS ensures national (not necessarily within state) representativeness.

Other Sources of Information

Publications

Considerable information about going to college is available to students and their families. There are a number of publications that you can order at no cost while supplies last from the U.S. Department of Education or download from the Internet. Some of these are listed below.

- *Think College? Me? Now? A Handbook for Students in Middle School and Junior High School: Think College Early*
  1-877-4ED-PUBS (1-877-433-7827)
  http://ed.gov/pubs/CollegeMeNow/
- *Getting Ready for College Early: A Handbook for Parents of Students in the Middle and Junior High School Years*
  1-877-4ED-PUBS (1-877-433-7827
  http://www.ed.gov/pubs/GettingReadyCollegeEarly/
- *Preparing Your Child for College*
  1-877-4ED-PUBS (1-877-433-7827)
  http://www.ed.gov/pubs/Prepare/index.html
- A publication that you may find particularly useful is:
  The Student Guide: Financial Aid 1999-2000
  1-800-4-FED-AID (1-800-433-3243)
  http://www.ed.gov/prog_info/SFA/StudentGuide/

Internet Resources

The Internet is a particularly bountiful resource for obtaining information about going to college and getting financial assistance. Below are a few general sources that you may find useful. In many

cases they will lead you to other sites that provide more specific types of information.

http://www.ed.gov/offices/OSFAP/Students/
This site is maintained by the Office of Student Financial Assistance Programs of the U.S. Department of Education. You can access an application for student financial aid through this Web site, as well as obtain useful information about different types of federal financial aid.

http://easi.ed.gov
Project EASI provides information on the funding of education beyond high school. The areas covered include: (1) planning for college; (2) applying to college and for financial aid; and (3) managing your financial aid resources. Links to other U.S. Department of Education resources are included, as well as other potentially useful Internet and print resources.

http://www.collegeispossible.org
The American Council on Education sponsors and maintains a general resource guide for parents and students. College Is Possible provides answers to a variety of questions such as: How does the application process work? What sort of college is right for me? How much will college cost? Like Project EASI, this site also provides links to many other sources.

http://www.collegeboard.org
In addition to providing information on taking and registering for the SATs, the College Board Web site provides a number of services including a "college search" component that provides you with a list of colleges meeting desired criteria that you specify; a step-by-step guide to the college application process; and information on financial aid and paying for college.

http://fafsa.ed.gov
The Free Application for Federal Student Aid is available online and walks you through the information you need to provide on your application. You can apply for financial aid over the Internet and receive feedback on whether your application is complete.

http://www.salliemae.com
This Web site provides useful information on planning and paying for college. There are also resources for high school guidance counselors and college financial aid professionals.

Almost all colleges have Web sites these days that provide a lot of information about their institutions. In many cases, the college's application is also available online.

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